



Massachusetts Quasi-Public Corporation Planning Council

Annual Report
Fiscal Year 2008

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Executive Summary

This document serves to summarize findings made in preparation of the Annual Report that documents activities of various quasi-public corporations for fiscal year 2008. These findings are based on initial submissions received from several of the agencies comprising the most recently amended Section 16 of Chapter 123 of the Acts of 2006 Massachusetts Quasi-Public Corporation Planning Council (MQCPC).

The Annual Report is a requirement stipulated in M.G.L. Chapter 23A, Section 56, enacted in 1993 to ensure regular communication and coordination between quasi-public corporations and public purpose agencies. The goal of producing (what is believed to be the first annual report in several years) is to afford EOHED an opportunity to evaluate how quasi-public agencies address their statutory missions, deploy the Commonwealth's resources and measure effectiveness, as well as identify redundancies in their services or constituencies.

To ascertain additional intelligence, three working sessions were held with representatives from 16 quasi-public corporations. Data was collected to further analyze the types of financing provided (working capital, debt, equity investment and real estate); business creation and enhancement; job creation and retention, and other financial or technical assistance program activity by region.

The Council has recommended adding the Massachusetts Life Sciences Center and the Clean Energy Center to the membership.

Executive Summary

Mass. Community Development Finance Corporation (CDFC)

Mission: Focus on financing of small businesses located in low income/blighted areas

\$3,980,000 in loan volume.

Funded 12 projects/businesses

Created 382 new jobs

Commonwealth Corporation

Mission: Adult & Youth employment & training

\$7,226,771 were awarded

15 sector projects across the Commonwealth

Economic Stabilization Trust (EST)

Mission: Financing to value added businesses/manufacturing

\$6,020,000 working capital loans and TA grants

Funded 22 projects

Created 1,266 jobs

Health and Educational Facilities Authority (HEFA)

Mission: Tax-Exempt Debt to non-profits

\$3,414,102,769 in total financing

Executive Summary

Mass Development

Mission: Lender and Developer to public and private sector.

\$2,904,438,061 in bonds and loans

5,412 jobs were potentially created

235 projects were funded

83 municipalities and 9 businesses were provided with Technical Assistance

Massachusetts Office of Business Development (MOBD)

Mission: Facilitate business development

Awarded \$5,029,725.98 in MORE Jobs Grants

Projected Private Investment of \$1,045,393,616 for the EACC & EDIP Certified Projects

37,287 jobs created and retained

175 projects

Massachusetts Office of International Trade & Investment (MOITI)

Mission: Facilitate foreign investment

Projected Private Investment \$82,155,000

(foreign direct investment, export sales, and technical assistance)

916 jobs were created and 43 were retained

Executive Summary

Massachusetts Office Travel and Tourism (MOTT)

Mission: Promote Massachusetts as a tourism destination

Awarded \$8,500,000 in grants to the 13 Regional Tourism Councils

Massachusetts Technology Collaborative (MTC)

Mission: Economic Development for emerging technologies

\$86,541,804 in total financing

(debt and equity investments, real estate and working capital and technical assistance)

339 projects were funded

885 jobs were created

61 businesses created or enhanced in the Commonwealth

Massachusetts Technology Development Corporation (MTDC)

Mission: Provides venture capital for technology companies

\$3,283,725.49 in Debt or Equity Investments

14 projects were funded

15 companies were provided Technical Assistance

29 businesses were enhanced

470 jobs were created

Executive Summary

Small Business Development Centers Network (SBDC)

Mission: Technical assistance for small businesses

\$221,821,863 in new loans, contracts, increased international sales as a result of the technical assistance

Trained and consulted 9,147 businesses

192 businesses launched

3,902 jobs were created

Workforce Training Grants

Mission: Train current and newly hired workers

Awarded \$18,835,158 in grants

Trained 21,819 employees



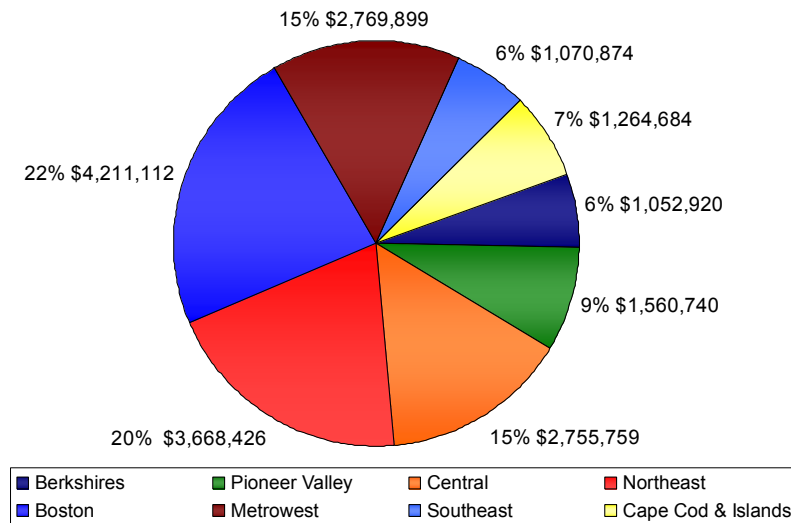
Workforce Training Fund Grants

The Workforce Training Fund is a state fund enacted into law in July 1998 and financed entirely by Massachusetts employers. Its purpose is to provide resources to Massachusetts businesses and workers to train current and newly hired employees.

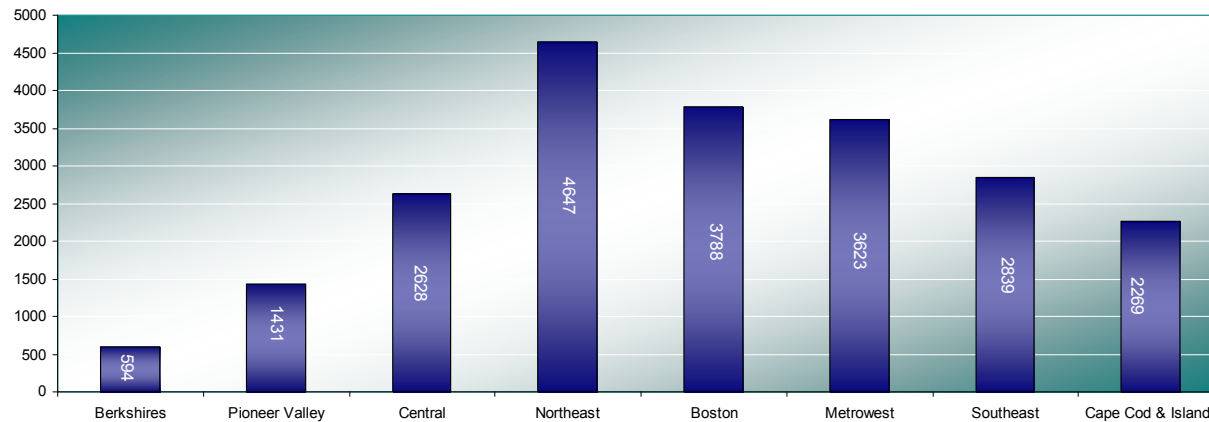
In Fiscal Year 2008 in the Workforce Training Fund has awarded \$18,835,158 in grants and trained 21,819 employees.

Workforce Training Fund Grants

Grants By Region



Employees Trained



Commonwealth Corporation

Commonwealth Corporation is a quasi-public workforce development agency under the umbrella of the Executive Office of Labor and Workforce Development. The organization's mission is to build upward mobility pathways for youth and adults to prepare for high demand occupations in the Massachusetts' economy, in concert with state and local partners.

Commonwealth Corporation works in three primary areas: building pathways to educational credentials and careers for youth who are at-risk; creating partnerships among employers, education and workforce entities to prepare adults for new or better jobs in high demand fields; and action-oriented labor market research and evaluation.

The Workforce Competitiveness Trust Fund (WCTF)

WCTF was created by the Legislature in the Economic Stimulus Package of 2006 for the purpose of preparing Massachusetts residents for new jobs in high demand occupations or to upgrade the skills of incumbent workers to ensure that workers and their employers remain competitive in a rapidly changing technological and global economy. The WCTF was initially capitalized at \$18 million. During Fiscal Year 2008, \$7,226,771 was awarded to 15 sector projects across the Commonwealth. In Fiscal Year 2007, \$6,522,108 was awarded to 15 three-year projects that were in operation in Fiscal Year 2008.

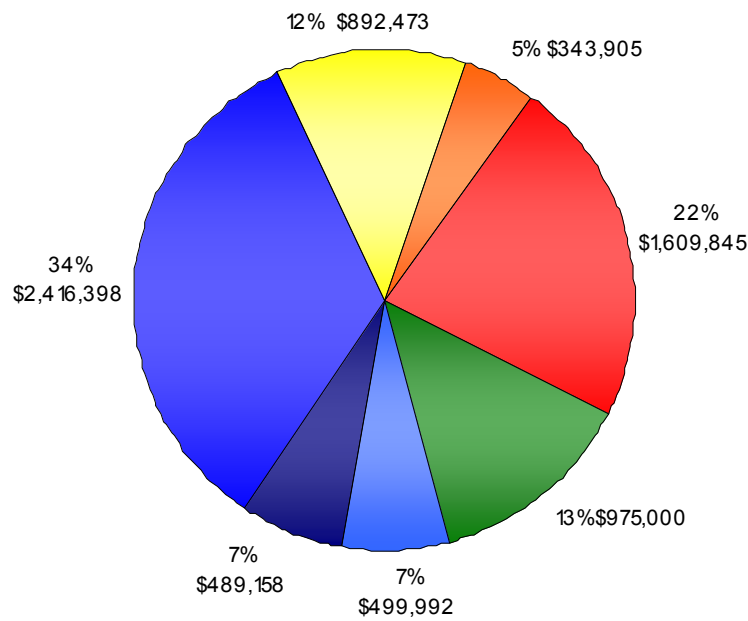
The Extended Care Career Ladder Initiative (ECCLI)

The ECCLI was part of the Massachusetts Nursing Home Quality Initiative enacted in 2000. ECCLI is a competitive, multiple round grant program available to Massachusetts nursing homes and home health agencies to support development of career ladders and other training initiatives for the LTC frontline workforce. ECCLI's primary goal is to enhance the quality and outcomes of resident/client care while simultaneously addressing the dual problems of recruiting and retaining a skilled direct care workforce. In Fiscal Year 2008, \$1,039,211 was awarded to projects across the state.

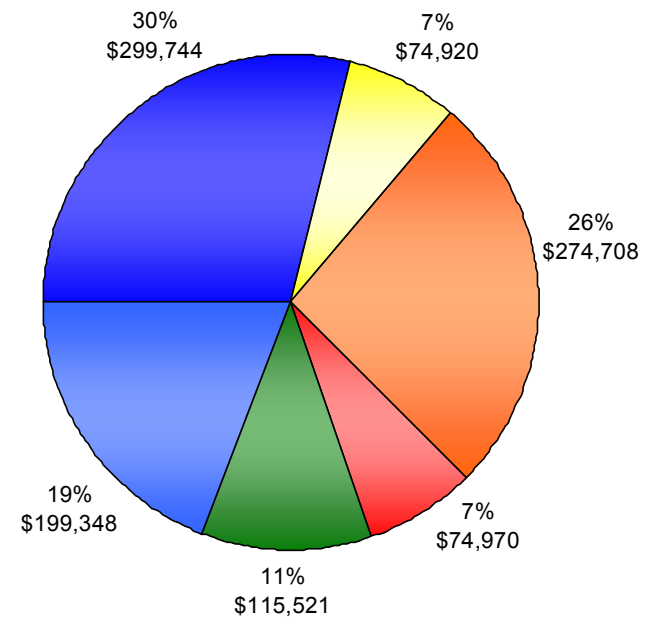


Commonwealth Corporation Activity

**The Workforce Competitiveness
Trust Fund**



**The Extended Care Career
Ladders Initiative**



■ Berkshire
■ Northeast

■ Boston Metro
■ Pioneer Valley

■ Cape & Islands
■ Southeast

■ Central

Community Development Finance Corporation

Massachusetts Community Development Finance Corporation is a quasi-public corporation authorized by the Massachusetts legislature in 1975, under the statute of Chapter 40F, as one of the nation's first state-level community economic development finance institutions. CDFC concentrates on lending to small businesses throughout the Commonwealth to which private capital is not readily available with the purpose of creating or preserving jobs in low-income areas as defined by Chapter 40F.

CDFC finances near bankable transactions by filling the financial gap between the financial needs of small businesses and the ability of private capital to finance such needs. Their involvement, reflected in their loan programs, are temporary in nature and aimed to facilitate closing the financial gap. They believe that their best borrowers are those that have lost to private capital.

In Fiscal Year 2008 CDFC provided \$3,980,000 in lines of credit and term loans, creating 382 jobs in the Commonwealth.

Community Development Finance Corporation

Loan Programs (Loans from \$100,000 to \$500,000)

Revolving Line of Credit:

- Purpose: Accounts receivable and inventory
- Interest Rate: Variable – Prime plus 3% with a floor of 8%
- Financing Fee: 2% commitment fee plus 1% annual fee
- Maturity: on demand, 12 months absent demand
- Attorney and Transaction Costs: Paid by borrower in addition to financing fee

Term Loans:

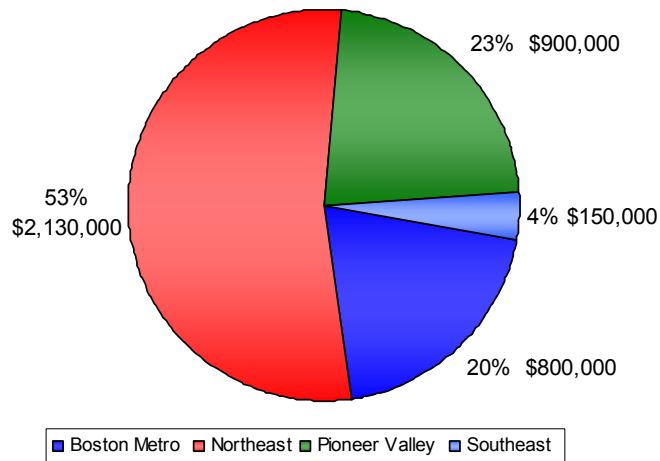
- Purpose: Equipment purchase and working capital
- Interest Rate: Fixed – Prime plus 3% with a floor of 8%
- Fees: 2% commitment fee
- Maturity: Up to 5 years based on the useful life of equipment
- Flexible term for purchase of equipment
- Attorney and Transaction Costs: Paid by borrower in addition to financing fee

Contractor Bond Guarantee:

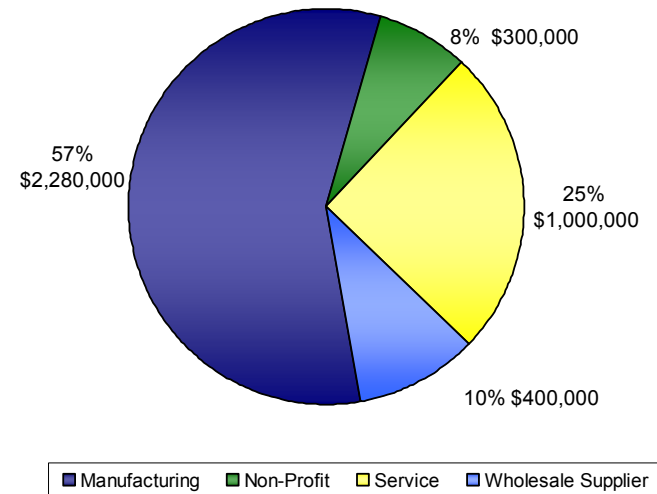
- Annual Fee: 2% of Letter of Credit (LOC) amount
- Collateral for Guarantee: 90% from CDFC, 10% from contractor
- Attorney and Transaction Costs: Paid by borrower in addition to financing fee

Community Development Finance Corporation Activity

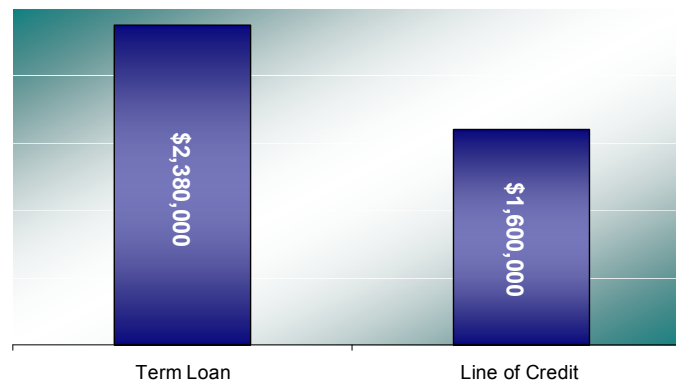
Financing by Regions



Financing by Industry



Finance Type



Economic Stabilization Trust

Created by the Massachusetts legislature in 1984, the Economic Stabilization Trust is a quasi-public loan fund that seeks to promote economic activity and a stable, prosperous job climate in the commonwealth. The Trust has provided working capital to over 350 companies, impacted thousands of jobs, leveraged over \$421 million in private funding, and offered management assistance to many other Massachusetts companies since 1997.

The Trust lends working capital to small and medium-sized, value-added businesses in the Commonwealth of Massachusetts. By providing loans where traditional financing is not available or where credit is no longer extended, companies are able to implement restructuring plans to create a stable financial future for the company and its employees. The Trust's experienced staff also works hand-in-hand with management to assist in the turn-around of businesses.

The Trust works with companies to evaluate business plans/opportunities and provide management assistance as well as capital. In the evaluation phase, an officer from the Trust will meet with management to learn about the company and the challenges it faces. In some instances, the Trust can participate with the company in hiring independent consultants to assist management in focusing on those challenges. The Trust is also a provider of capital, helping companies move onto firm financial footing, ensuring that Massachusetts jobs are not at risk.

The Trust offers term loans, lines of credit, and in some instances guarantees for working capital financing. The Trust will participate on a senior or subordinated basis, providing viable financing options for a variety of situations. Loans are provided in situations where additional funding from traditional sources is no longer available.

Loans are available only to value-added businesses that are based in Massachusetts. Retailers, service firms, restaurants, and real estate related businesses are not eligible. Loans are considered when and if they lead to the financial stability and improvement of the business. Loan amounts are limited to \$10,000 per job.

Economic Stabilization Trust

Financing Products

Term Loan

- Purpose: Working Capital
- Amount: \$100,000-\$750,000
- Terms: Up to 60-months
- Fees: 3% closing fee
- Interest: Prime Plus 3% (10% floor - 15% ceiling)

Line of Credit

- Purpose: Working Capital
- Amount: \$100,000-\$500,000
- Terms: Demand Loan - may be formula based - 12-month line-may be renewed for an additional 12 months.
- Fees: 3% closing fee
- Interest: Prime plus 3% (10% floor - 15% ceiling)

Guarantee

- Purpose: Working Capital
- Amount: \$100,000 - \$500,000
- Terms: Up to 12 months based on underlying debt structure
- Fees: 3% closing fee, plus annual Guarantee Fee based on the situation.

Economic Stabilization Trust

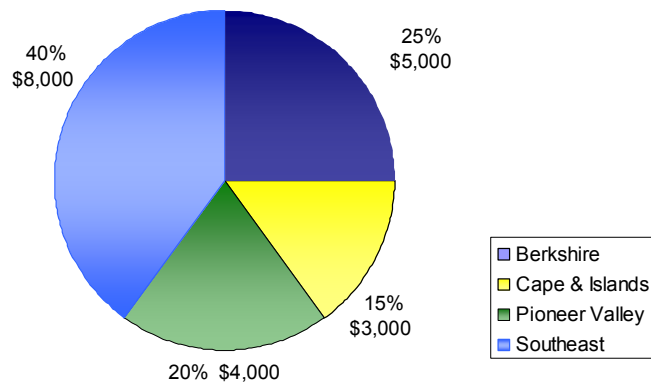
2008 Fiscal Year End Highlights

The Economic Stabilization Trust completed another successful year supporting over 1100 jobs and leveraging \$48.7 million in private capital for 22 companies, executing its mission to provide working capital to credit-challenged manufacturing and value-added businesses throughout the Commonwealth. A few examples include:

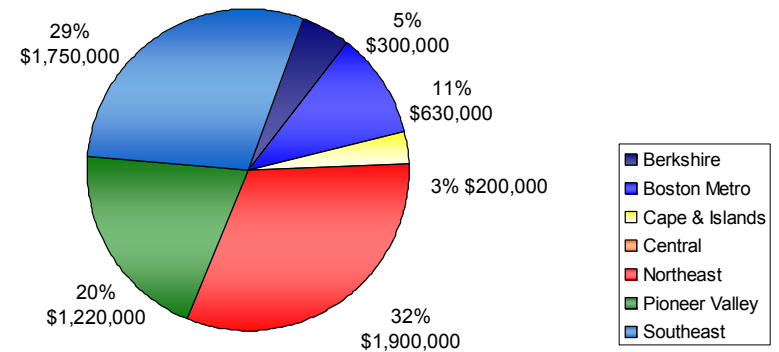
- \$750,000 Term Loan to a manufacturer
- Substantial increases in raw material costs and technical issues with a new product introduction resulted in operating losses and insufficient working capital. Management implemented price increases and cost reduction that returned the company to profitability. The Trust provided working capital to ensure adequate inventory while the company transitioned to a new senior debt relationship and preserved 85 jobs.
- \$125,000 Line of Credit and a \$150,000 Term Loan to a manufacturer of packaging machinery equipment.
- The company's margins were slipping as the customer base was increasingly migrating to offshore producers. Management identified and targeted a profitable underserved niche in a related mature market that utilized the existing employee skill set. Unable to secure traditional working capital to complete the transition, the company obtained funding from the Trust to support the growing sales, expanding market footprint, and 17 jobs.

Economic Stabilization Trust Activity

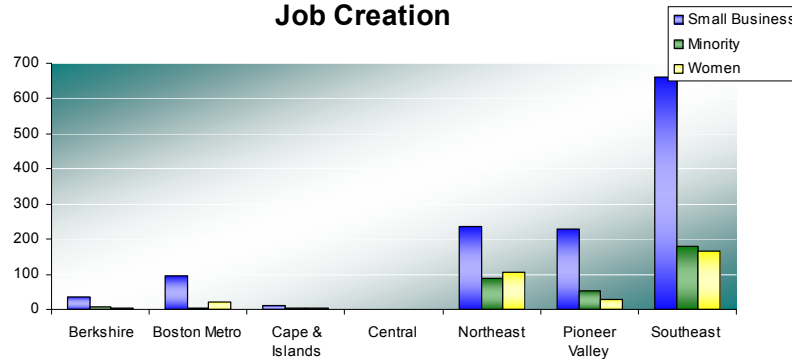
Technical Assistance Grants



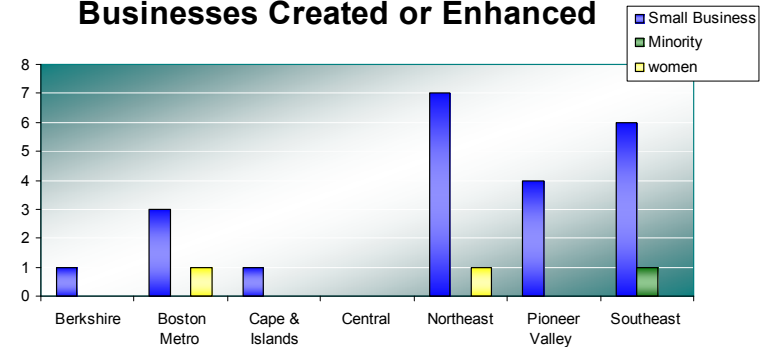
Working Capital Loans



Job Creation



Businesses Created or Enhanced



Massachusetts Health and Educational Facilities Authority

The Massachusetts Health and Educational Facilities Authority (HEFA) provides a range of appropriate capital related financial products and other services to eligible nonprofit institutions in the fields of health care, higher education, science, culture, and human services. HEFA provides these services in a diligent, responsive, and efficient manner to enable nonprofit institutions to reduce the cost of capital, provide critical services, and enhance the quality of life of the residents of the Commonwealth.

HEFA provides tax-exempt financing for construction and renovation projects, property acquisition, equipment, and refinancing.

HEFA Serves 501(c)3 nonprofit institutions:

- Hospitals, nursing homes and health centers
- Colleges and universities; cultural and scientific institutions
- Human service providers (serving the disabled)

Financing Products:

Bond Issues

- Large capital projects and refinancing
- Greater than \$5 million

Pool Loans

- Smaller projects and refinancing
- Less than \$5 million
- Issuing costs shared by “pool” of borrowers

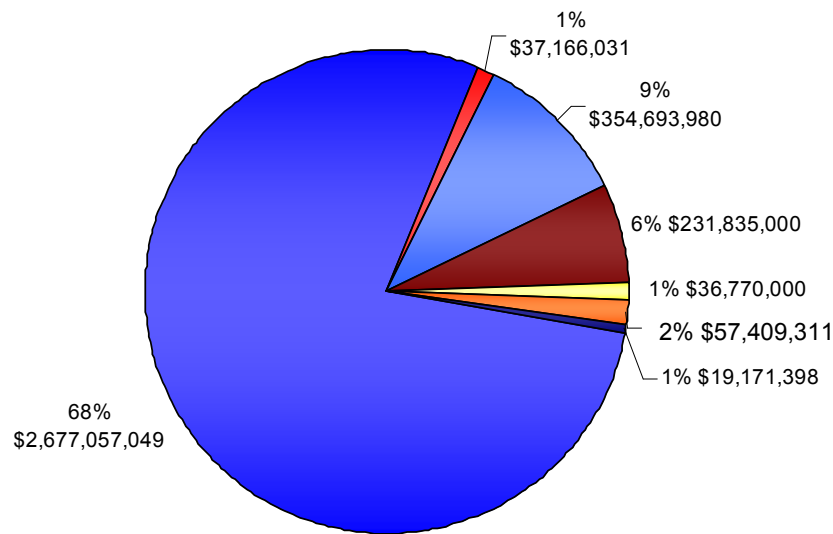
Value Lease

- Equipment purchases
- Greater than \$1 million



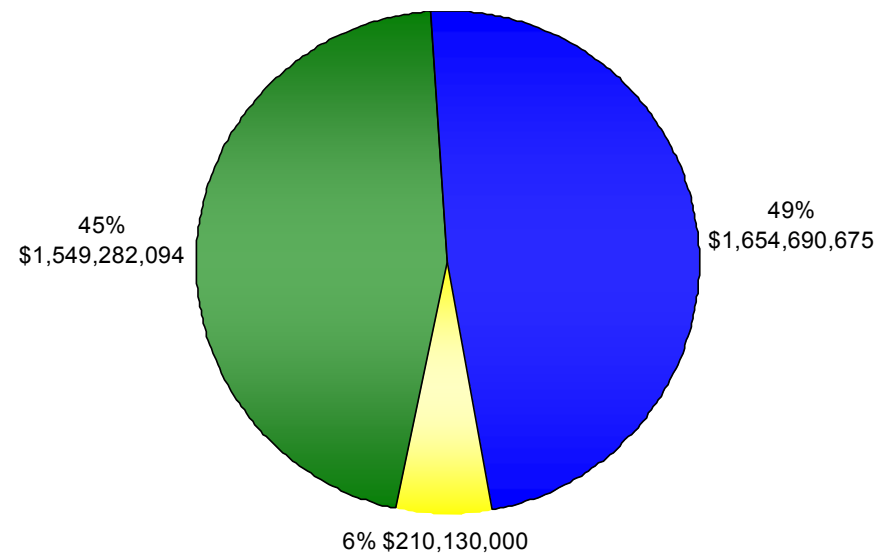
Massachusetts Health and Educational Facilities Authority Activity

Financing by Regions



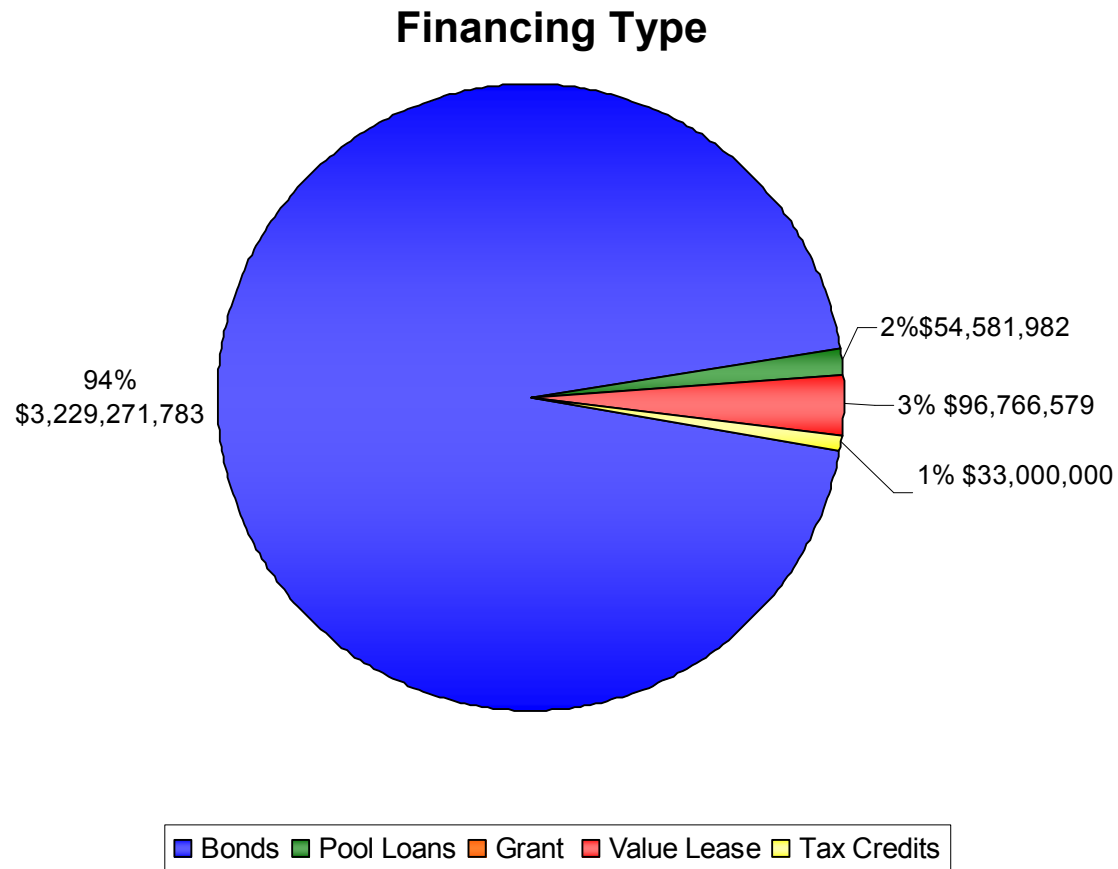
■ Boston	■ Northeast	■ Southeast	■ Metrowest
■ Cape Cod	■ Central	■ Western	

Financing by Institution



■ Cultural	■ Higher Education	■ Health Care
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Massachusetts Health and Educational Facilities Authority Activity



Massachusetts Development Finance Agency

MassDevelopment is the state's finance and development authority. It was created in 1998 when the State Legislature enacted M.G.L. Chapter 23G and merged the Government Land Bank with the Massachusetts Industrial Finance Agency. The agency serves as both a lender and developer, working with private and public sector clients to stimulate economic growth by eliminating blight, preparing key sites for development, creating jobs, and increasing the state's housing supply.

Lending

With more than \$40 million in FY 2008 deals, MassDevelopment loan products include permanent mortgage financing, development loans, construction loans, term loans, and loan guarantees. Special programs include the South Coast Revolving Loan Fund, the Emerging Technology Fund, the Brownfields Redevelopment Fund, TechDollars, Export Finance, Term Working Capital, the Charter School Facilities Guaranty Program, the New Markets Loan Fund, and the Cultural Facilities Fund.

Bond Financing

The agency has issued more than \$16.5 billion in federally tax-exempt and taxable bonds for real estate and equipment acquisition projects undertaken by non-profit organizations, governmental entities, elder care and affordable housing developers, manufacturers, and environmental enterprises.

Tax Credit Financing

In 2004, the U.S. Department of the Treasury awarded MassDevelopment \$70 million in New Markets Tax Credits. This program stimulates economic development in low-income communities by attracting private capital in return for federal income tax credits. MassDevelopment has used its allocation for two initiatives, a New Markets Loan Fund that delivers below market rate loans and two large real-estate projects that support health care in some of Boston's neediest neighborhoods. MassDevelopment received a new allocation of credits of \$30 million in 2008.



Brownfields Redevelopment Fund

MassDevelopment administers the Brownfields Redevelopment Fund, a state-funded Brownfields reclamation program. Created by the Legislature in 1998 and recapitalized in FY 2006, the Brownfields Redevelopment Fund has issued more than 500 awards for projects in 100 eligible communities. According to award recipients, these loans and grants are expected to support the creation of more than 5,100 housing units and 6,000 jobs statewide.

Cultural Facilities Fund

Created in 2006 to fund investment in the infrastructure of cultural resources, the Cultural Facilities Fund, administered by MassDevelopment and the Massachusetts Cultural Council, provides capital grants, loans, and planning assistance to help nonprofits renovate, expand, and repair facilities, and to leverage matching private contributions. Through FY 2008, the Fund has received annual appropriations of \$25 million and an FY 2009 appropriation of \$6.5 million. To date, 120 grants have funded projects with demonstrated community need and support that will boost tourism.

Infrastructure Initiative

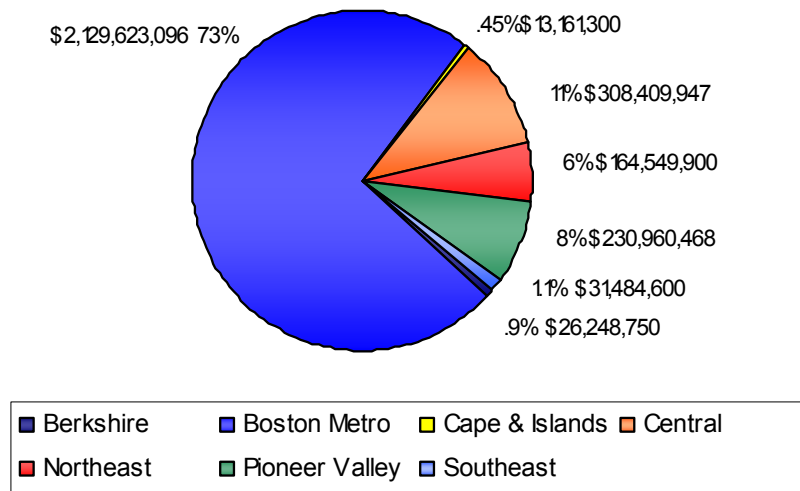
MassDevelopment will assume additional responsibilities under legislation providing for an Infrastructure Investment Incentive (known as I³ or I-cubed) Program. I-cubed is a pilot under which the Commonwealth will invest up to \$250 million in redevelopment projects (no more than two projects per municipality) that need state assistance with infrastructure. This law will allow Massachusetts to make strategic investments based on a risk-sharing approach that involves contributions from municipal, state, and private entities. MassDevelopment will serve as bond issuer.

Real Estate and Planning

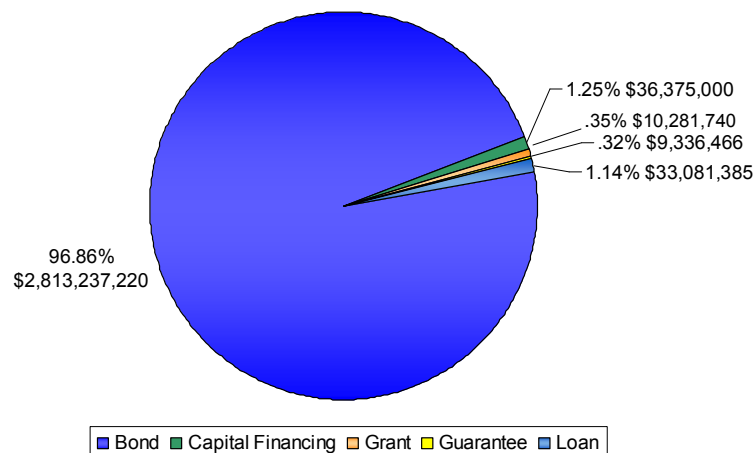
In accordance with Chapter 498 of the Acts of 1993 and the national award-winning 1994 Devens Reuse Plan, MassDevelopment is overseeing the creation of a thriving business and residential community in Devens. Under the agency's management since 1996, Devens has become a model for military base reuse and a widely recognized success story. With more than 75 businesses employing more than 3,500 people and generating a combined annual payroll of nearly \$220 million (2005 figure), Devens is an economic engine for central Massachusetts. Other major MassDevelopment real estate and planning projects include Village Hill Northampton, the Springfield Smith & Wesson Industrial Park, SouthCoast Research & Technology Park in Fall River, and 100 Cambridge Street in Boston.

Massachusetts Development Finance Agency Activity

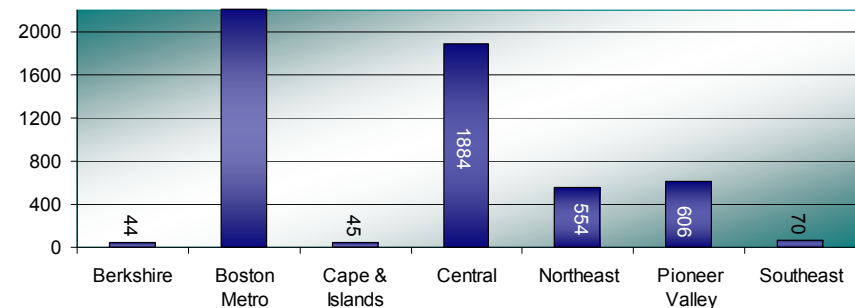
Financing by Regions



Financing Type



Job Creation (Potential)



Massachusetts Office of Business Development

The Massachusetts Office of Business Development is committed to promoting job growth, retaining existing jobs, and stimulating private investment within the Commonwealth of Massachusetts. The mission of the Massachusetts Office of Business Development is to facilitate simplified, timely access to a host of governmental and non-governmental resources and incentive programs that will help businesses grow faster and stronger in Massachusetts. Our objective is to provide our businesses with the best that these resources have to offer while ensuring excellent customer service.

The Massachusetts Office of Business Development has 7 regional directors and 5 industry directors that work closely with the Business Resource Team to assess a company's needs and then ensure that company is getting exactly what it needs to thrive within Massachusetts. The Business Resource Team is a collaborative effort between the Massachusetts Office of Business Development and a series of public and private agencies and organizations. The Business Resource team works as a partner, providing business owners with the resources and information that make for a great business environment.

With a budget of \$3.6 million in Fiscal '08, the Massachusetts Office of Business Development had a job impact of 37,287 jobs. The Massachusetts Office of Business Development has also created a 'Jobs Won' category that signifies a company's announcement of jobs it commits to creating within the state. The 'Jobs Impact' category is comprised of the amount 'jobs won' and jobs retained.

Massachusetts Office of Business Development

The ratio of job impact revenue creation versus the Massachusetts Office of Business Development's budget is found below:

Job Impact:

$37,287 * \$40,000 = \$1,491,480,000$

$\$1,491,480,000 * 5.3\% = \$79,048,440$

$\$79,048,440 / \$3.6m = 22$

Ratio = 22:1

Jobs Won:

$9,855 * \$40,000 = \$394,200,000$

$\$394,200,000 * 5.3\% = \$20,892,600$

$\$20,892,600 / \$3.6m = 6$

Ratio = 6:1

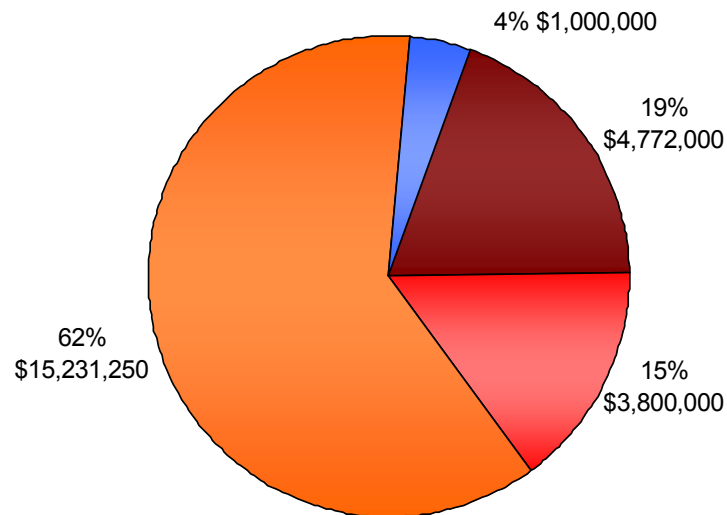
*please note \$40,000 represents the average Massachusetts salary, and 5.3% represents payroll tax

Private Investment FY08:

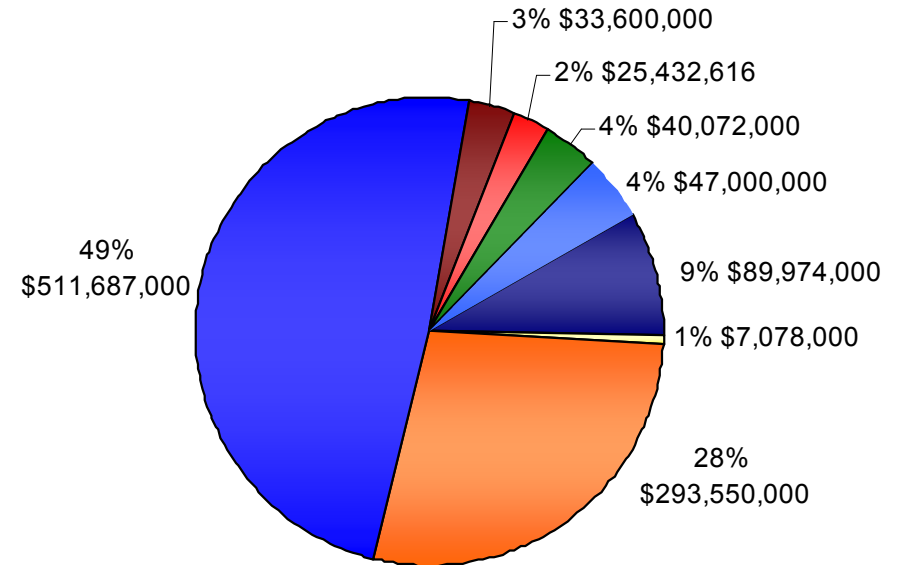
\$2,261,393,434 represents monies that companies have committed to invest in their expansion efforts within Massachusetts. This dollar amount results from the job impact (jobs won and jobs retained) within Massachusetts.

Massachusetts Office of Business Development Activity

MORE Jobs Grants



Projected Private Investment EDIP & EACC Projects



■ Berkshires

■ Cape Cod & Islands

■ Central

■ Greater Boston

■ Metrowest

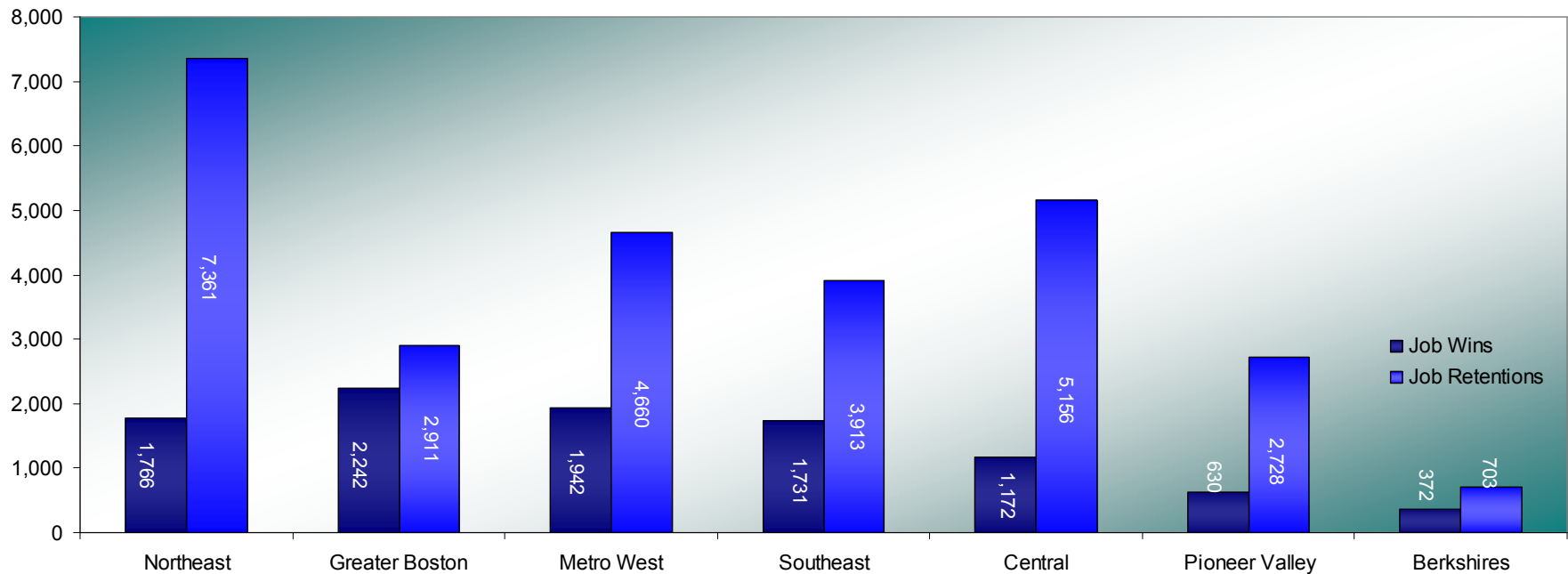
■ Northeast

■ Pioneer Valley

■ Southeast

Massachusetts Office of Business Development Activity

Job Wins and Job Retentions



Massachusetts Office of International Trade & Investment

Since 1983 the functions and operations of the Massachusetts Office of International Trade & Investment have been performed under contract by the Massachusetts International Trade Council, Inc. (MITCI). Incorporated in 1979, MITCI is a not for profit corporation organized to enhance the global competitiveness of Massachusetts.

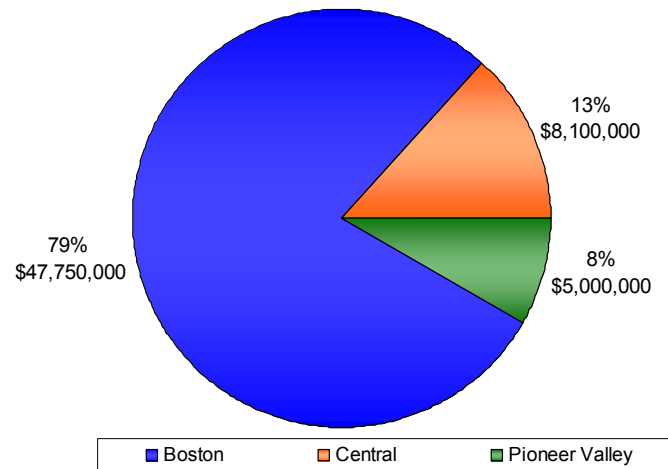
The Massachusetts Office of International Trade & Investment (MOITI) works to expand the Massachusetts economy by marketing the state's business internationally, through focused export promotion, attracting foreign companies to invest in Massachusetts and handling protocol as it relates to trade and investment. It promotes Massachusetts exports through industry-specific international trade shows based on the Commonwealth's premier traded industry clusters allowing Massachusetts companies to participate in Massachusetts Pavilions.

The two agencies primarily responsible for international trade development in the state are the Massachusetts Office of International Trade & Investment and its sister agency, the Massachusetts Export Center.

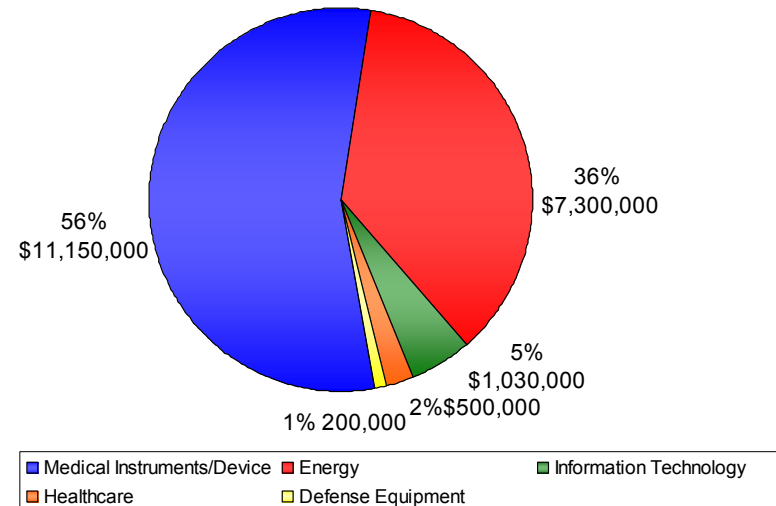
MITCI is governed by an independent seven-person Board of Directors which is actively involved in driving our mission of focusing on export promotion and attracting foreign companies to invest into Massachusetts. Board members have vast experience in both public and private sectors related to international trade, investment and promoting economic growth. The Board is a crucial asset in promoting our mission and goals.

Massachusetts Office of International Trade & Investment Activity

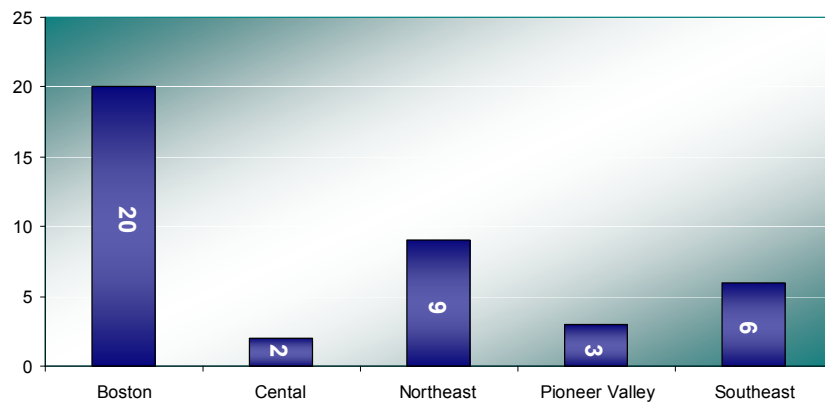
Foreign Direct Investment



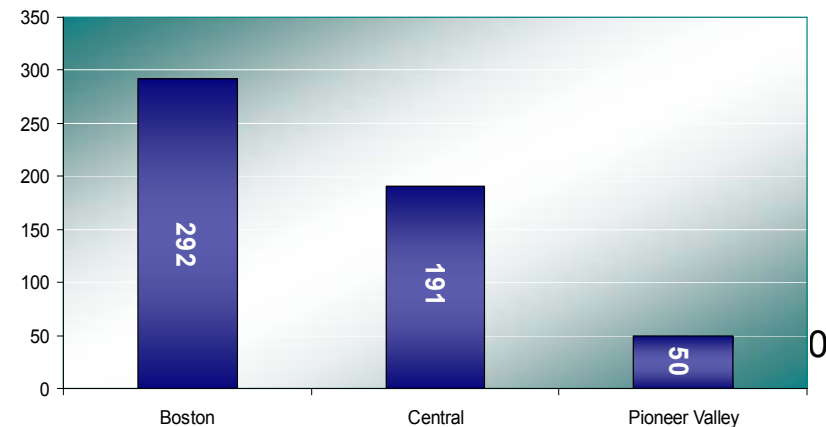
Sales Reported from Trade Shows



Businesses Created or Enhanced



Job Creation and Retention



Massachusetts Office of Travel & Tourism

The Massachusetts Office of Travel & Tourism (MOTT) is the state agency dedicated to promoting Massachusetts as a friendly, family-oriented destination set in the midst of rich historical and cultural tradition. MOTT's budget is derived from a portion of the state hotel room occupancy tax and is therefore responsible for encouraging overnight stays, as well as increasing tourism-related spending and payroll. MOTT serves as a leader in the tourism industry, bringing together the public and private sectors to promote Massachusetts as a leisure destination.

More than 20 million people visited Massachusetts in 2006 and spent approximately \$14.2 billion, making tourism the third largest industry in the Commonwealth. The industry generated \$887.2 million in state and local tax revenues and supported 125,800 jobs in 2006.

Regional Tourism Council

The state is divided into 13 regions; each is marketed by a Regional Tourism Council (RTC).

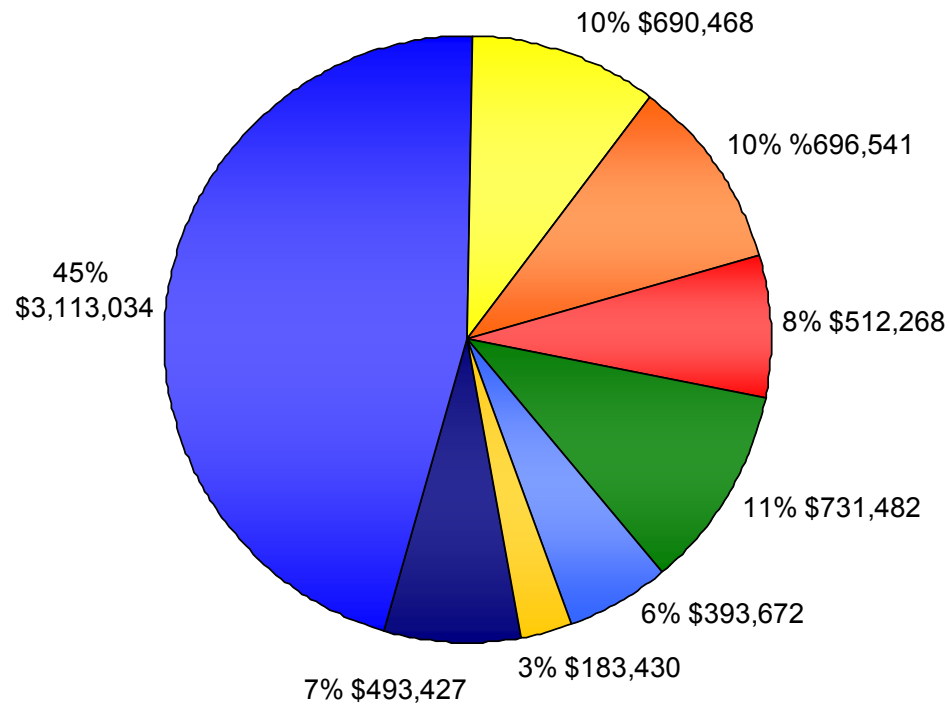
The RTCs develop regional advertising, public relations, brochures and other marketing initiatives. The RTCs are nonprofit, membership-based organizations. While MOTT markets the state as a whole, the Regional Tourism Councils focus on their specific areas of the state. The RTCs are an invaluable resource for attractions, accommodations and other tourism businesses.

To help accomplish their marketing initiatives, in FY08, the Regional Tourism Councils have been allocated \$9 million through the state grant program.

Massachusetts
It's all here.®

Massachusetts Office of Travel & Tourism Activity

Regional Tourism Council Grants



Massachusetts Small Business Development Center Network

The Massachusetts Small Business Development Centers (MSBDC) provide one-to-one free comprehensive and confidential services focusing on business growth and strategies, financing and loan assistance, and strategic analysis. The statewide program has three integrated product lines: Business Advisory Services, Government Contracting and International Trade/Export Services. Services are delivered through a statewide network of skilled professionals supported by a vast network of federal, state, educational and private sector partners. In addition, low cost educational training programs are offered across the state targeted to the needs of small business.

MSBDC is a partnership of the United States Small Business Administration, the Massachusetts Executive Office of Housing and Economic Development and a consortium of institutions of higher education led by the Isenberg School of Management at the University of Massachusetts/Amherst and includes Clark University, Salem State College, University of Massachusetts/Boston and University of Massachusetts/Dartmouth.

MSBDC's six regional business advisory centers, Mass Export/ International Trade Centers, and Procurement Technical Assistance Centers are designed to effectively service small businesses throughout the state. There is an MSBDC regional, specialty, or satellite office located within 30 minutes of any potential client.

Massachusetts Small Business Development Center Network

Business Advisory Services

Through six Regional Centers housed in Pittsfield, Springfield, Worcester, Salem, Fall River and Boston, full-time business advisors supported by the resources of academic institutions provide business advising to small businesses. Feasibility studies and start-up issues, business plan development, cash flow analysis, marketing and sales strategies, financial plan development, financing options and loan packaging, buy/sell and valuation assistance, technology and e-commerce assistance as well as assistance with equity business plans are among the wide array of assistance provided.

Training

MSBDC conducts seminars, workshops, courses, and conferences addressing a wide range of business issues. Many of these programs are co-sponsored with local chambers of commerce, colleges and universities, community development organizations, and trade associations.

Massachusetts Export Center

Through four centers located across the state in Boston, Holyoke, New Bedford and Worcester, the Massachusetts Export Center provides export counseling, technical assistance, international market research and promotion, as well as training to businesses. Expertise and guidance is provided in the areas of export market assessment and analysis, establishment of export market channels, international business development, export legal and regulatory compliance, export logistics and supply chain management, and global trade banking and finance. The program works collaboratively with the Mass Office of International Trade & Investment, MassDevelopment, the U.S. Department of Commerce and the U.S. Small Business Administration Office of International Trade.

Massachusetts Small Business Development Center Network

Minority Business Center (MBC)

The Minority Business Center provides services on a targeted basis to the minority community of Greater Boston. MBAC is sponsored by UMASS/Boston.

Procurement Technical Assistance Center (PTAC)

Client firms receive an understanding of contracting requirements and the know-how to obtain and successfully perform federal, state and local government contracts. The PTAC provides a wide range of assistance - such as: guidance on initial registrations and small business certifications, researching procurement histories, small business matchmaking conferences, proposal guidance and review, contract performance issues and much more.

Economic Development

MSBDC assists local groups and communities in developing programs for small business creation, expansion, and retention.

Eligibility

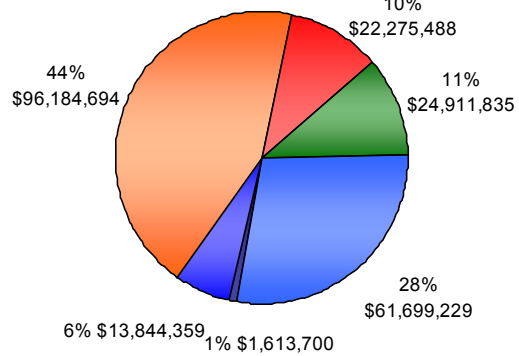
MSBDC is required to serve only independently owned and operated businesses located in Massachusetts that meet the size standards defined by the U.S. Small Business Administration. These classifications have been set individually for different industries.



Small Business Development Centers Activity

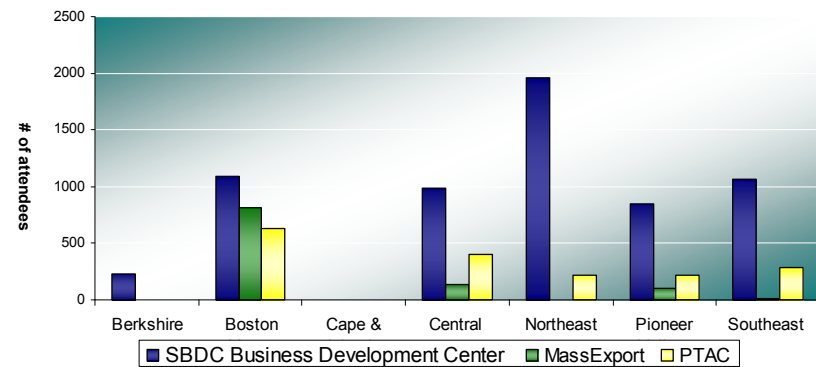
Capital Infusion

(Loans, Government Contracts, Export Sales)



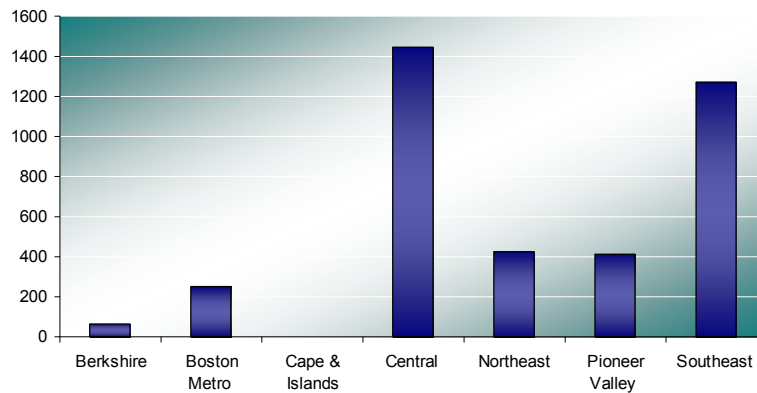
■ Berkshire ■ Boston Metro ■ Cape & Islands ■ Central ■ Northeast ■ Pioneer Valley ■ Southeast

Technical Assistance: Training & Consultation

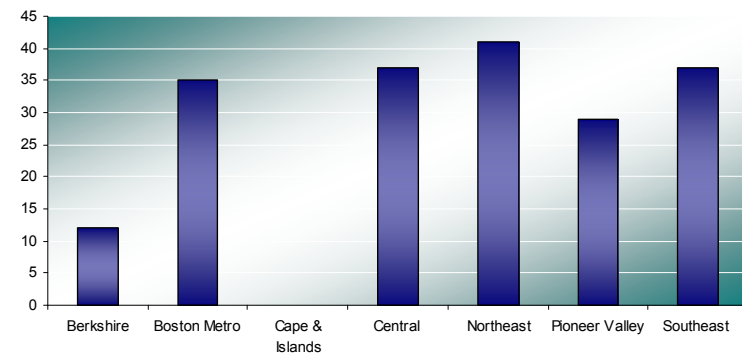


■ SBDC Business Development Center ■ MassExport ■ PTAC

Job Creation



Businesses Launched



Massachusetts Technology Collaborative

The Massachusetts Technology Collaborative (MTC) is a public, non-partisan economic development agency that promotes new economic opportunity and fosters a more favorable environment for the formation, retention, and expansion of technology-related enterprises in Massachusetts.

MTC operates at the intersection of government, industry, and higher education. It brings together leaders to advance technology-based solutions that strengthen regional economies, improve the healthcare system and stimulate cluster growth. The agency is working through the Massachusetts Broadband Institute to bridge the digital divide by expanding broadband internet service throughout the Commonwealth. MTC works closely with state government supporting trade missions and other activities to maximize international economic development opportunities for Massachusetts. MTC has three major divisions.

John Adams Innovation Institute

The Innovation Institute makes targeted investments to support key industry clusters in the Commonwealth's knowledge economy. Region-by-region, sector-by-sector, they are strengthening industry's ability to create and retain jobs. The Innovation Institute also supports rigorous collaborative, interdisciplinary research and development partnerships at Massachusetts universities as new ideas and technologies emerge; enhances the success of the state's academic research centers to compete for millions of dollars in federal research awards; and secures the economic benefits of downstream production and employment for the Commonwealth as new research and technologies are commercialized in the marketplace.

Massachusetts Technology Collaborative

e-Health & Life Sciences

Massachusetts' healthcare system is vitally important for the well-being of its citizens and the strength of its economy. MTC is working to speed adoption of technologies that save lives and reduce costs in healthcare. Our e-Health partnership has brought together policymakers, healthcare experts, physicians, and business leaders to break down barriers impeding widespread implementation of advanced technologies, such as electronic medical records and computerized physician order entry systems.

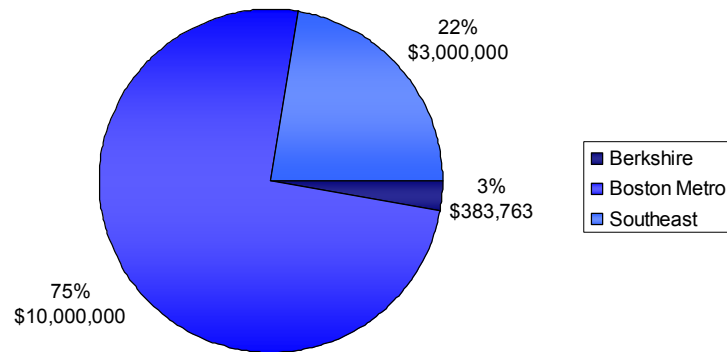
The Massachusetts Life Sciences Collaborative is creating a cross-sector partnership that helps Massachusetts maintain and build upon its preeminence in research, development, and commercialization efforts in the life sciences cluster. The Life Sciences Collaborative is engaging life sciences leaders from academia, industry, and government to overcome obstacles facing the life sciences cluster, and is working with the Massachusetts Life Sciences Center to develop a comprehensive and integrated strategic plan for life sciences growth in the Commonwealth.

Renewable Energy Trust

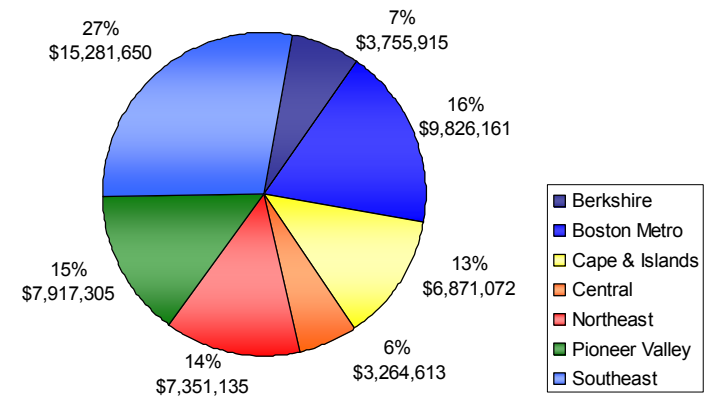
The Renewable Energy Trust is making investments to maximize the economic and environmental benefits from clean energy. Since 2001 the Trust has awarded more than \$250 million in loans and grants to support over 2,000 clean energy projects across the state. The \$68 million Commonwealth Solar Program has provided rebates for more than 400 solar projects in its first year. More businesses and communities are installing clean energy systems today than at any other time in the state's history. The Trust is also working to grow the state's vibrant cluster of clean energy businesses, everything from small start-up companies to established manufacturing companies. The clean energy sector has more than 550 companies and employs more than 14,000 people in Massachusetts. The Trust is also helping cities and towns "go green" by installing renewable technologies to meet municipal needs.

Massachusetts Technology Collaborative Activity

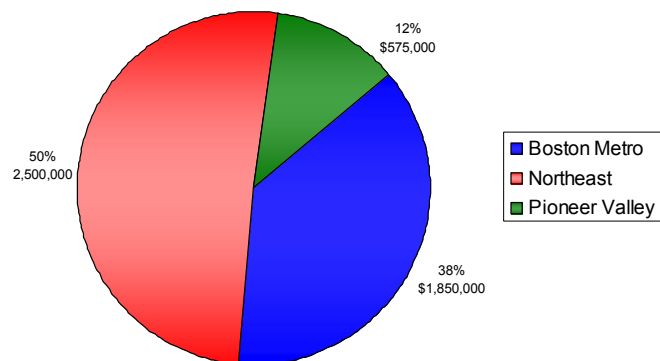
Real Estate & Working Capital by Regions



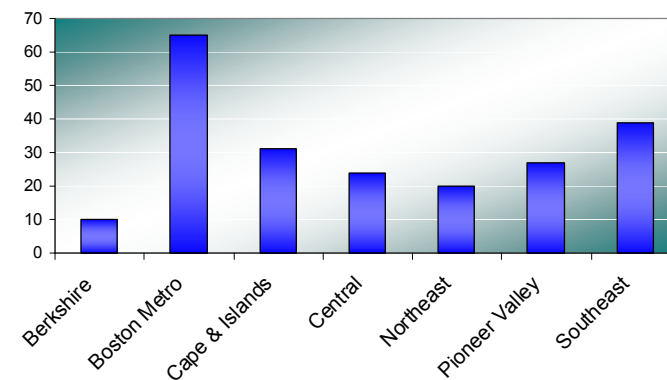
Technical Assistance Grants



Debt or Equity Financing by Regions



Businesses Created or Enhanced



Massachusetts Technology Development Corporation

The Massachusetts Technology Development Corporation (MTDC) is a state-sponsored venture capital company. It was established by the Massachusetts Legislature in 1978, MTDC has a longer track record than most state venture capital corporations. Since 1988, MTDC has been entirely self-supporting.

MTDC was created to address the capital gap for start-up companies and to encourage the growth of early-stage technology firms in Massachusetts. MTDC was one of a number of programs put in place in Massachusetts in the late 1970's in response to a major economic recession that occurred during the 1974 - 1976 time period. Recognizing that Massachusetts would not be in a position to compete for manufacturing jobs on the basis of lower costs, the state decided to pursue an economic development strategy that sought to grow innovative companies that require access to early-stage, start-up capital.

Although Massachusetts today is a major center of venture capital activity, there was very little venture capital available in the late 1970's. It was only after a number of policy changes at the federal level, which included reducing the capital gains tax and modifying ERISA, that venture capital became more widely available. Today, the venture capital market has grown so large that the increases in the size of venture funds have led many firms to make ever-larger investments. As a result, it remains difficult to obtain small amounts of early-stage capital. The problem is compounded for start-up technology companies whose founders may have little experience in running businesses. It is this capital gap that MTDC addresses.



Massachusetts Technology Development Corporation

Management Assistance Program

In addition to its investment program, MTDC also provides management assistance to entrepreneurs. Through this program, MTDC staff reviews an entrepreneur's business plan, advises the client as to the most feasible options for raising capital from both public and private sources, and helps the company locate sources of financing. MTDC provides management assistance services to approximately 40 to 60 companies annually. Assistance is not limited to companies in which MTDC invests. However, the management assistance program is used to identify potential MTDC clients.

Organizational Structure and Staffing

An eleven member Board of Directors, eight of whom are appointed by the Governor and must come from the private sector, governs MTDC. Three public officials, the Secretary of Administration and Finance, the President of the University of Massachusetts, and the Secretary of the Executive Office of Housing and Economic Development round out the Board's composition. The public members serve as full voting members and may send a designee to vote on their behalf. The private members are not permitted to send a designee.

Massachusetts Technology Development Corporation

MTDC focuses on companies seeking small amounts of venture capital, in the range of \$1 million to \$3 million. Private venture capital funds, because of the size of their total fund, which can range from \$200 million to \$800 million, usually are not interested in making such small investments. MTDC focuses on companies seeking small amounts of venture capital, in the range of \$1 million to \$3 million. MTDC also differs from private venture capital firms in that they are more willing to invest in an entrepreneur who has yet to establish a proven track record. Approximately 80 percent of MTDC's investments are made in start-up companies.

Eligibility

- the company must be located in, or agree to locate in, Massachusetts;
- the company's business must be technology-based and sufficiently innovative to provide a competitive advantage;
- the investment must result in significant employment growth;
- the company must demonstrate that it is having difficulty obtaining private capital; and
- the company must be able to demonstrate the potential for a high return on investment.



Massachusetts Technology Development Corporation

Lessons Learned

MTDC has close to a 30-year track record and has demonstrated success in investing in and helping to grow new technology-based companies. Lessons learned from MTDC's experience include:

Develop and concentrate on a core competency. MTDC developed a core competency in working with start-up, technology-based companies and has continued to focus on this market niche. By focusing exclusively on high technology start-ups, MTDC has developed an in-depth understanding of the risks involved and has developed tactics to deal with them.

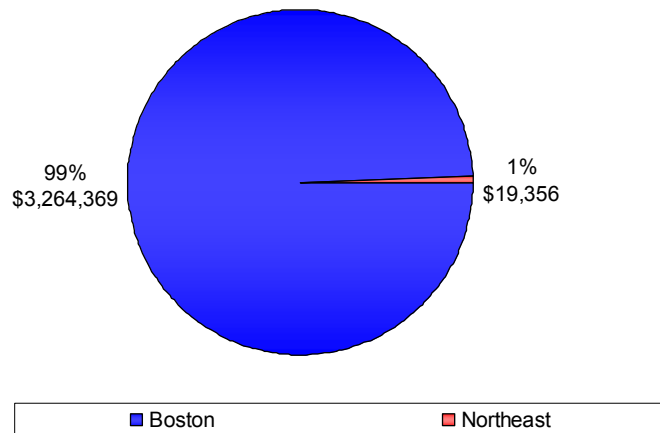
Patience and adaptability are key requirements for success. MTDC makes long-term, patient investments, often staying with a company for as much as seven to ten years. In some cases, companies have had to change their focus entirely, identify different market niches, or make complete changes in leadership. MTDC is able to work with its portfolio companies to make such changes when they are required.

A fund must have a way of maintaining sufficient deal flow. MTDC has sustained its deal flow by partnering with other organizations and conducting outreach to the entrepreneurial community. In addition to operating its management assistance program, MTDC co-sponsors venture forums and capital networks. The corporation also is well known to the venture capital and banking communities, which refer clients to them.

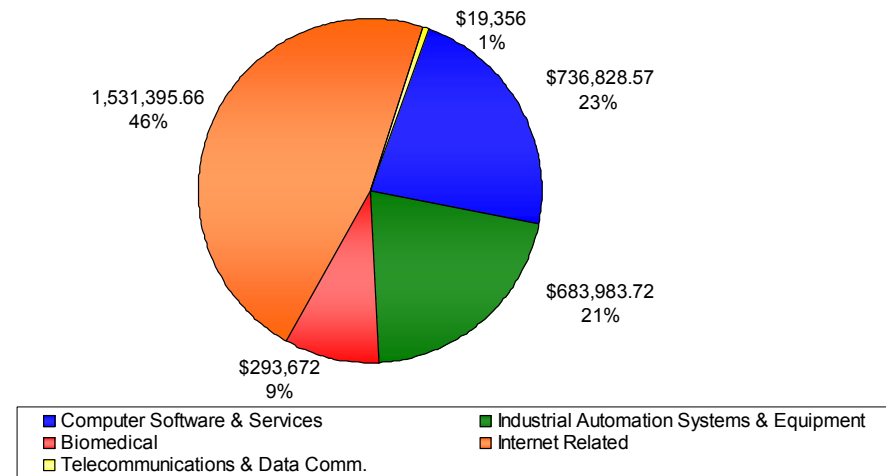
A rigorous investment decision process is required. MTDC uses a rigorous, time-tested process to make investment decisions. A staff member prepares a standardized investment report, an MTDC Board member visits the company, and then the company is invited to meet with the MTDC Board, which has already received and reviewed the investment report. All investments require six positive votes from the Board of Directors.

Massachusetts Technology Development Corporation Activity

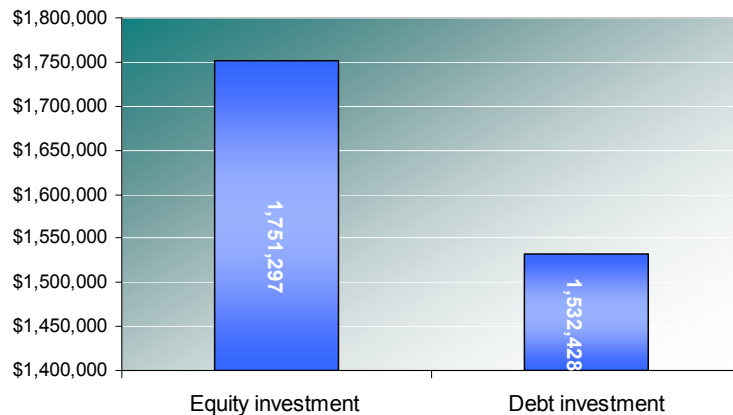
Financing by Regions



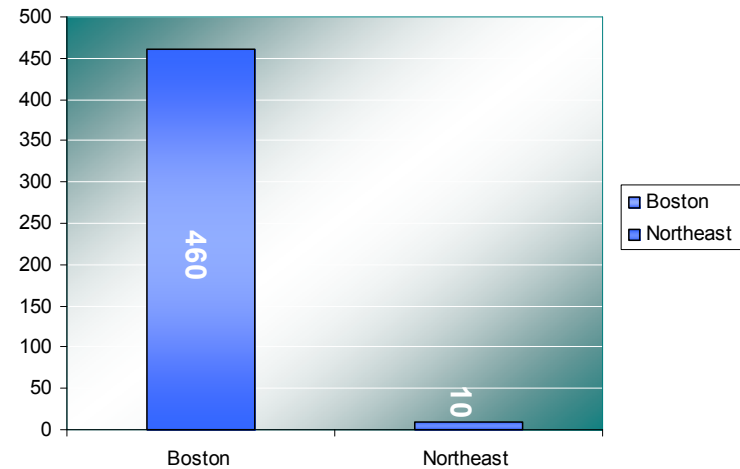
Financing by Industry Specialty



Loan Type



Job Creation

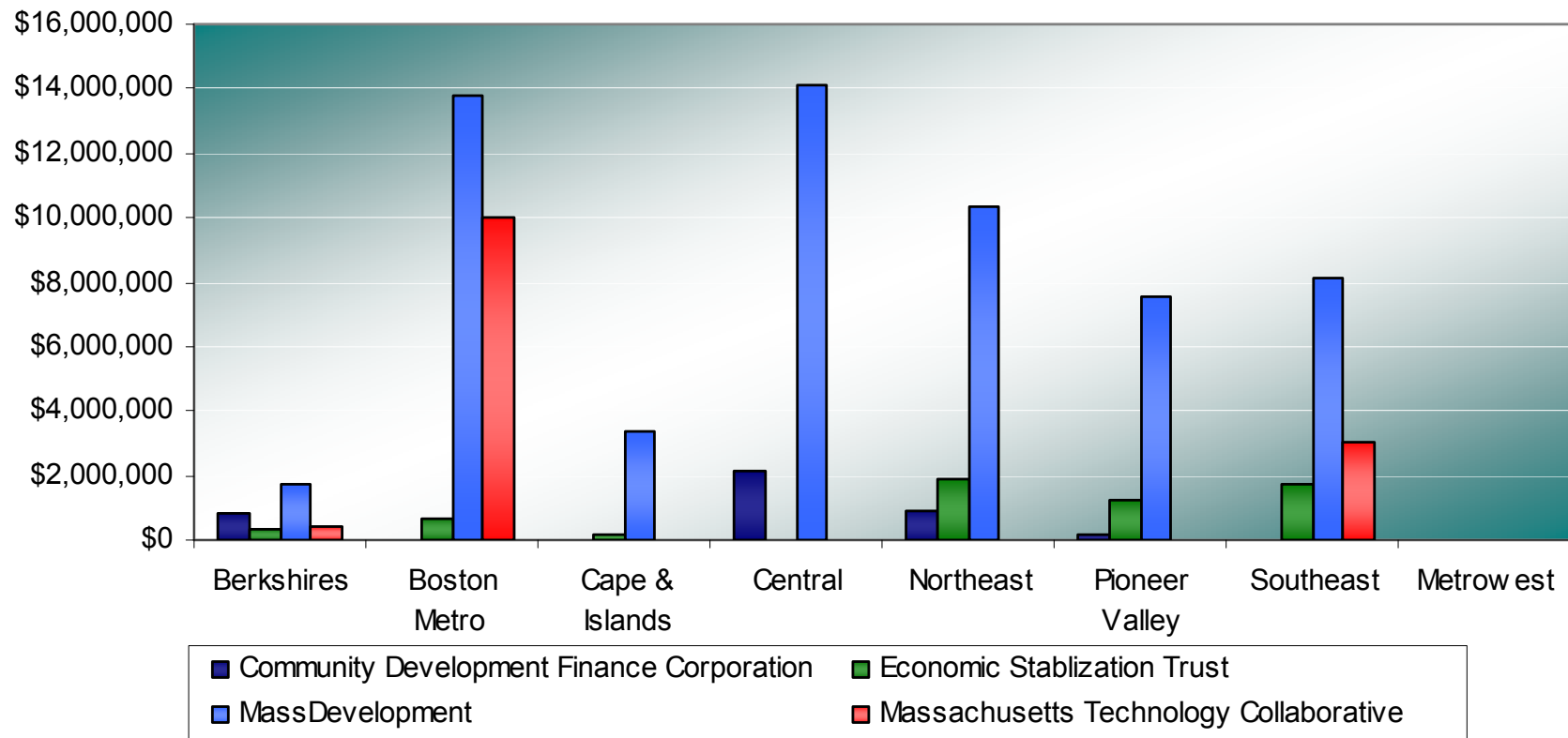




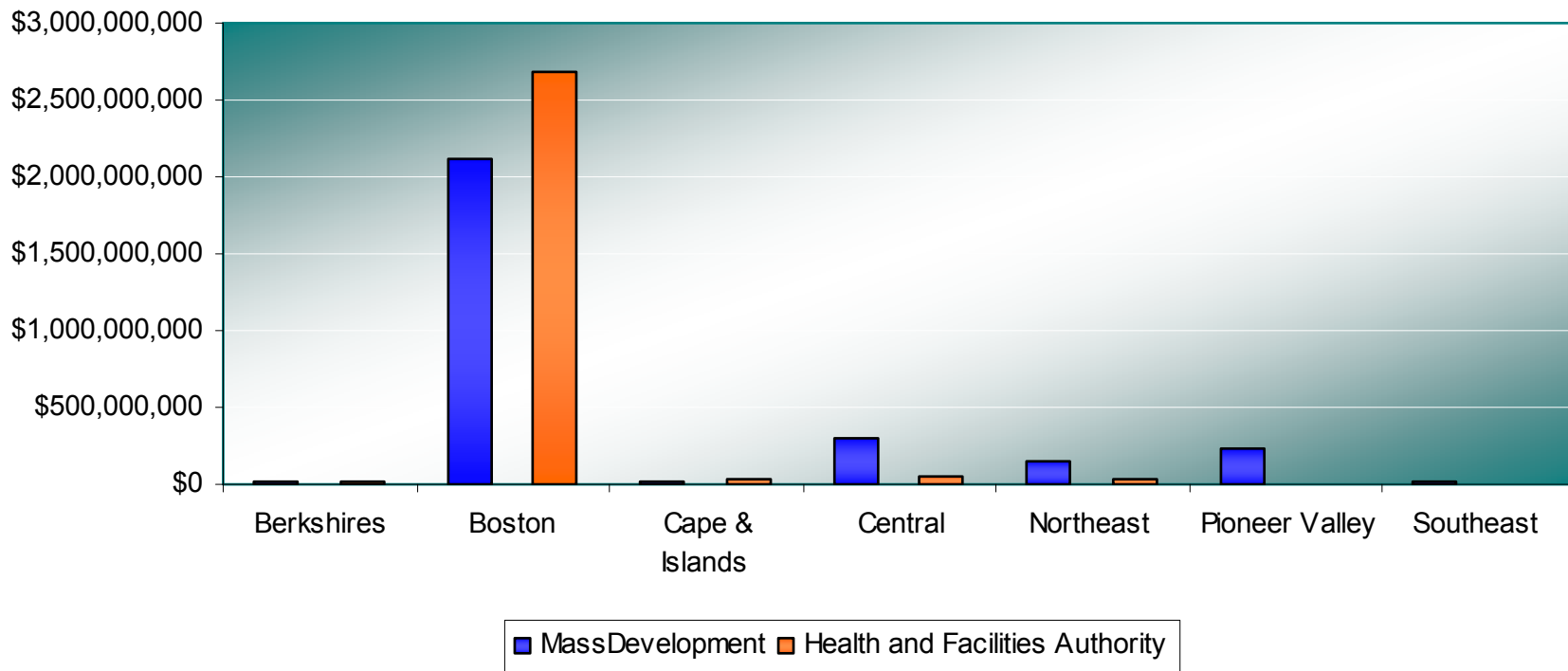
Summaries

Loans to Regions

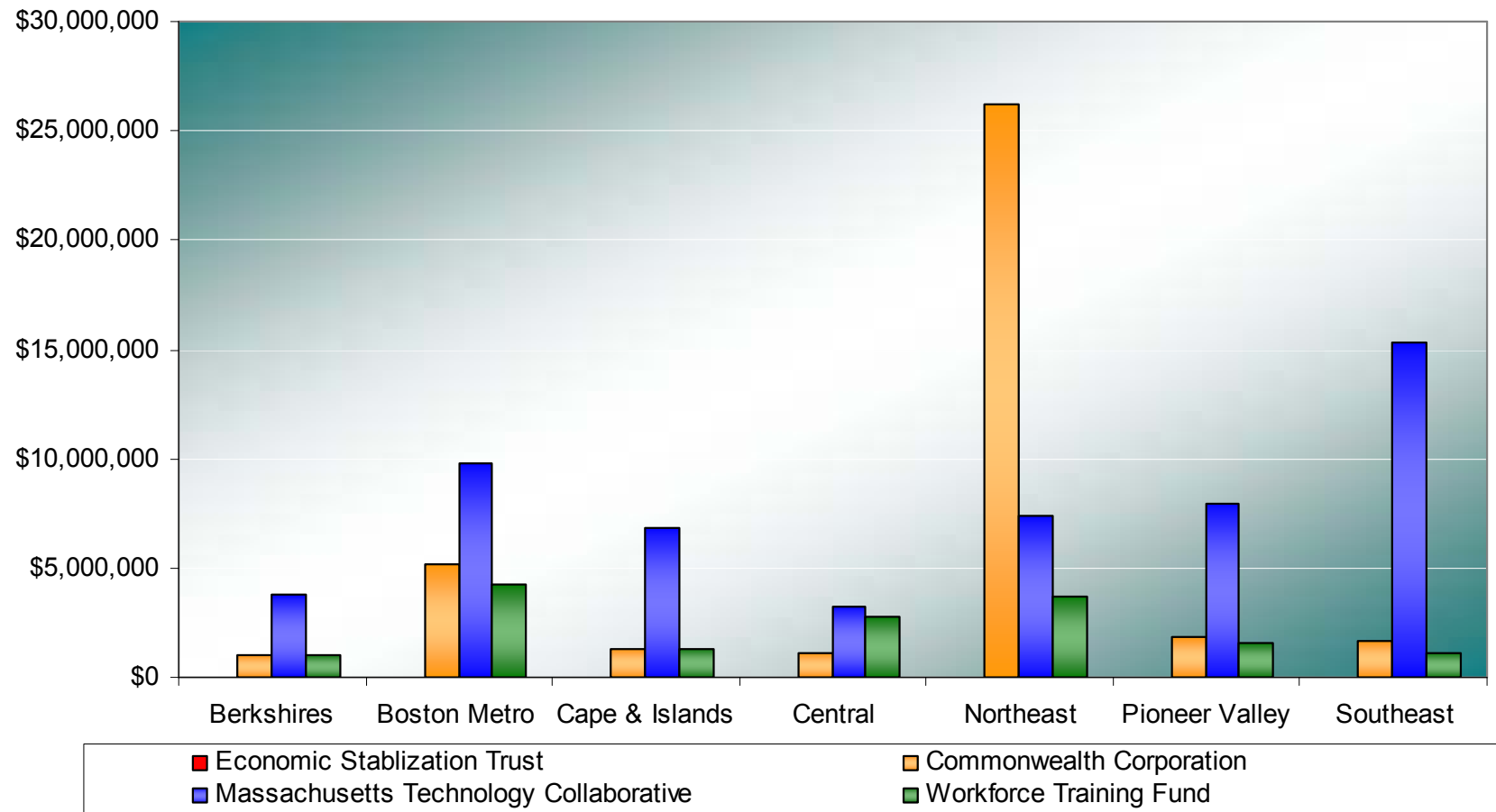
Real Estate and Working Capital



Bond Financing



Technical Assistance Grants



Job Creation and Retention

